GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:757
ANSWERED ON:21.02.2003
IMPACT OF ECONOMIC REFORMS
RATTAN LAL KATARIA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the impact of the economic reforms started during the last one decade on the economy of the country;

(b) the impact of economic reforms particularly on labour sector; and

(c) the role of economic reforms on creation of employment avenues?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a) to (c) : Various economic reforms measures have been taken by the Government since 1991 aimed at accelerating economic growth, facilitating greater investment, enhancing the competitive spirit, reducing the level of poverty, allowing higher private initiative and achieving greater integration with the world economy . The reforms have resulted in improved growth of the economy on an annual average basis during the period 1992-93 to 2002-03 compared to previous two decades. The reforms have also led to lower rate of inflation, an overall increase in inflow of foreign direct investment, a significant improvement in the balance of payments` position, accumulation of comfortable foreign exchange reserves and an all round improvement in the external debt indicators.

Review of labour laws and necessary labour reforms are a continuous process in order to bring the labour laws in tune with the prevailing situation and emerging needs of the economy. Reforms in labour laws are meant to make Indian industry efficient, cost effective and competitive. Therefore, these reforms are expected to have positive impact on overall economic growth and employment in the medium and long run by way of encouraging efficiency, productivity and ensuring achievement of full growth potential.